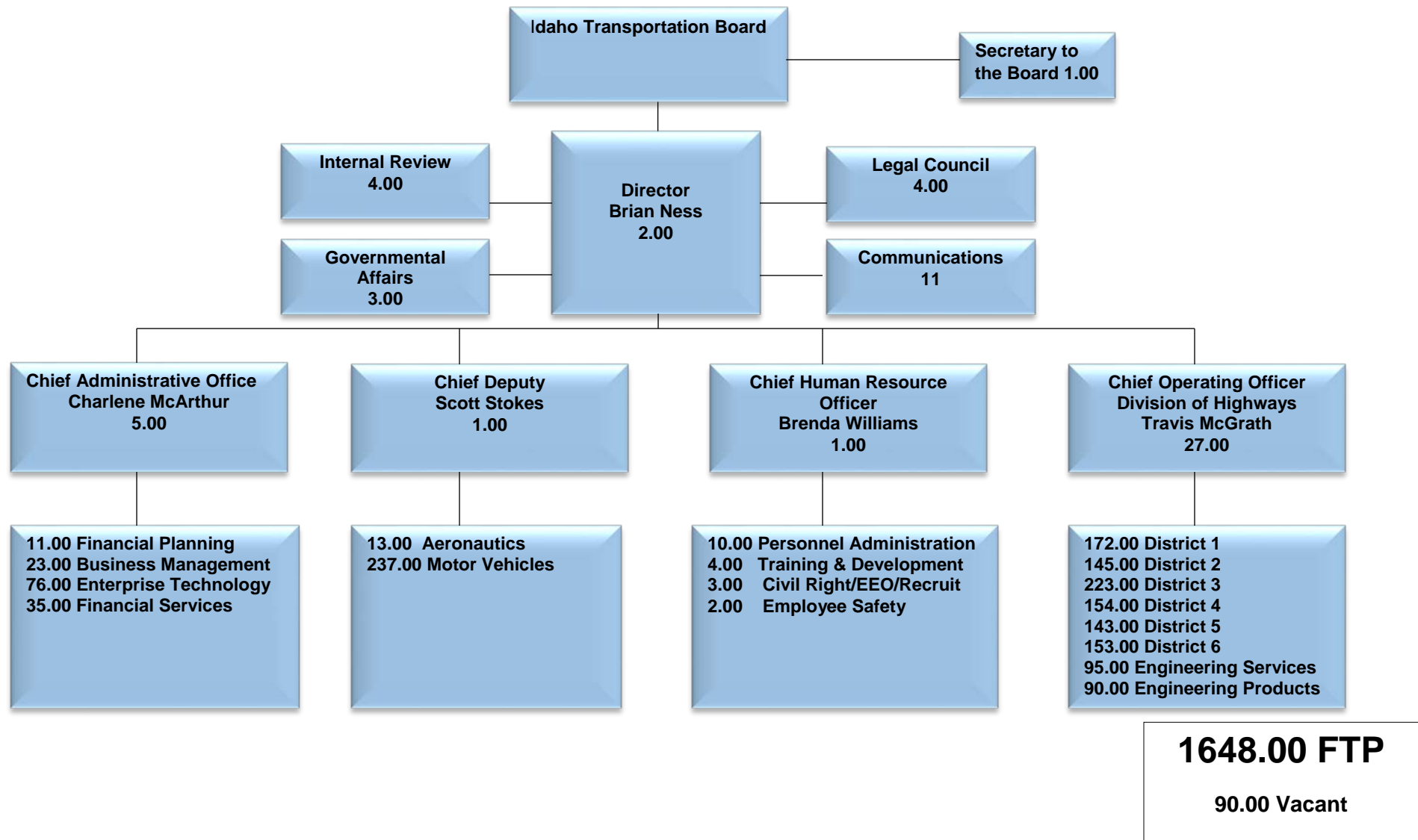


Idaho Transportation Department

Agency Profile

Analyst: Otto

Organizational Chart



Transportation Services

Analyst: Otto

FY 2018 Actual Expenditures by Division

			FTP	PC	OE	CO	T/B	LS	Total
0.30	FY 2018 Original Appropriation								
0221-02	Ded	10.70		981,800	529,400	211,000	1,000,000	0	2,722,200
0221-04	Ded	1.00		87,700	138,400	0	0	0	226,100
0260-02	Ded	183.30		16,149,200	9,090,300	7,682,000	0	0	32,921,500
0221-03	Fed	1.00		93,500	348,200	0	0	0	441,700
0260-03	Fed	7.00		404,400	219,100	0	440,000	0	1,063,500
Totals:		203.00		17,716,600	10,325,400	7,893,000	1,440,000	0	37,375,000
0.41	Prior Year Reappropriation								
0221-02	Ded	0.00		0	0	0	994,100	0	994,100
Totals:		0.00		0	0	0	994,100	0	994,100
0.43	Supplementals								
0260-02	Ded	0.00		0	0	1,381,300	0	0	1,381,300
Totals:		0.00		0	0	1,381,300	0	0	1,381,300
1.00	FY 2018 Total Appropriation								
0221-02	Ded	10.70		981,800	529,400	211,000	1,994,100	0	3,716,300
0221-04	Ded	1.00		87,700	138,400	0	0	0	226,100
0260-02	Ded	183.30		16,149,200	9,090,300	9,063,300	0	0	34,302,800
0221-03	Fed	1.00		93,500	348,200	0	0	0	441,700
0260-03	Fed	7.00		404,400	219,100	0	440,000	0	1,063,500
Totals:		203.00		17,716,600	10,325,400	9,274,300	2,434,100	0	39,750,400
1.21	Net Object Transfer								
0221-02	Ded	0.00		0	42,200	0	(42,200)	0	0
0260-02	Ded	0.00		0	(15,900)	15,900	0	0	0
0260-03	Fed	0.00		0	180,000	0	(180,000)	0	0
Totals:		0.00		0	206,300	15,900	(222,200)	0	0
1.31	Net Transfer Between Programs								
0260-02	Ded	0.00		0	(14,900)	0	0	0	(14,900)
Totals:		0.00		0	(14,900)	0	0	0	(14,900)
1.41	Receipt to Appropriation								
0221-02	Ded	0.00		0	16,900	49,500	0	0	66,400
0260-02	Ded	0.00		0	27,500	26,400	0	0	53,900
Totals:		0.00		0	44,400	75,900	0	0	120,300
1.61	Reverted Appropriation								
0221-02	Ded	0.00		(61,700)	(128,900)	(55,100)	0	0	(245,700)
0260-02	Ded	0.00		(1,659,200)	(177,300)	(321,600)	0	0	(2,158,100)
0221-03	Fed	0.00		(3,700)	(72,600)	0	0	0	(76,300)
0260-03	Fed	0.00		(11,600)	(168,600)	0	(73,400)	0	(253,600)
Totals:		0.00		(1,736,200)	(547,400)	(376,700)	(73,400)	0	(2,733,700)
1.71	Current Year Reappropriation								
0221-02	Ded	0.00		0	0	0	(908,500)	0	(908,500)
Totals:		0.00		0	0	0	(908,500)	0	(908,500)

Transportation Services

Analyst: Otto

FY 2018 Actual Expenditures by Division

			FTP	PC	OE	CO	T/B	LS	Total
1.91	Other Adjustment								
0221-02	Ded	0.00		(101,800)	(70,200)	(66,500)	0	0	(238,500)
0221-04	Ded	0.00		101,800	70,300	66,500	0	0	238,600
Totals:		0.00		0	100	0	0	0	100

2.00 FY 2018 Actual Expenditures

0221-02	Ded	10.70		818,300	389,400	138,900	1,043,400	0	2,390,000
State Aeronautics (Dedicated)				818,300	389,400	138,900	1,043,400	0	2,390,000
0221-04	Ded	1.00		189,500	208,700	66,500	0	0	464,700
State Aeronautics (Billing)				189,500	208,700	66,500	0	0	464,700
0260-02	Ded	183.30		14,490,000	8,909,700	8,784,000	0	0	32,183,700
State Highway (Dedicated)				14,490,000	8,909,700	8,784,000	0	0	32,183,700
0221-03	Fed	1.00		89,800	275,600	0	0	0	365,400
State Aeronautics (Federal)				89,800	275,600	0	0	0	365,400
0260-03	Fed	7.00		392,800	230,500	0	186,600	0	809,900
State Highway (Federal)				392,800	230,500	0	186,600	0	809,900
Totals:		203.00		15,980,400	10,013,900	8,989,400	1,230,000	0	36,213,700

Difference: Actual Expenditures minus Total Appropriation

0221-02	Ded		(163,500)	(140,000)	(72,100)	(950,700)	0	(1,326,300)
State Aeronautics (Dedicated)			(16.7%)	(26.4%)	(34.2%)	(47.7%)	N/A	(35.7%)
0221-04	Ded		101,800	70,300	66,500	0	0	238,600
State Aeronautics (Billing)			116.1%	50.8%	N/A	N/A	N/A	105.5%
0260-02	Ded		(1,659,200)	(180,600)	(279,300)	0	0	(2,119,100)
State Highway (Dedicated)			(10.3%)	(2.0%)	(3.1%)	N/A	N/A	(6.2%)
0221-03	Fed		(3,700)	(72,600)	0	0	0	(76,300)
State Aeronautics (Federal)			(4.0%)	(20.9%)	N/A	N/A	N/A	(17.3%)
0260-03	Fed		(11,600)	11,400	0	(253,400)	0	(253,600)
State Highway (Federal)			(2.9%)	5.2%	N/A	(57.6%)	N/A	(23.8%)
Difference From Total Approp			(1,736,200)	(311,500)	(284,900)	(1,204,100)	0	(3,536,700)
Percent Diff From Total Approp			(9.8%)	(3.0%)	(3.1%)	(49.5%)	N/A	(8.9%)

STATE OF IDAHO
BASIC FINANCIAL STATEMENTS FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Recommendation: We recommend that the Division apply a consistent approach and use of verifiable amounts in the calculation of funds available for distribution, as well as implementing internal controls to ensure the accuracy of the calculation.

Management's View: *The Idaho State Liquor Division (ISLD) has reviewed the finding your office identified during the FY2017 audit of the statewide CAFR. We acknowledge the observation that a condition exists in the manner that the ISLD calculates and documents its true-up distribution to Idaho's cities, counties, and General Fund after the conclusion of a fiscal year.*

Our process for calculating this true-up has been in place since FY2011 and has passed the scrutiny of prior LSO Audits without mention. The practice for increasing this distribution by utilizing excess idle cash was previously endorsed by LSO, DFM, and JFAC. Your memo mentions that our revised approach "increased the distribution above the required amount." In our view, this assertion is incorrect and we feel strongly that our approach brings us in to better and more responsible compliance with Idaho Code. The suggestion that our process might lead to a cash shortage is highly implausible based on the nature of our business cycles, consumer behavior, and cash flow predictability.

Nonetheless, we do recognize that the manner in which we document and administer this process can be improved, and we will modify our procedure prior to the next true-up distribution in FY2019. Going forward, we will more thoroughly maintain documentation of all General Ledger balances and cash flow estimates used in the calculation of the true-up distribution. Additionally, we will ensure that an individual unaffiliated with the calculation will verify its accuracy and any assumptions utilized.

Auditor's Concluding Remarks: We thank the Division for its cooperation and assistance throughout the audit. We would like to emphasize that this finding is not implying a problem with the basic methodology that the Division utilized to increase the distribution of excess idle cash. The concern identified in the condition statement above is the lack of internal controls in place to ensure that this methodology is documented and executed as intended and reviewed for accuracy by knowledgeable staff to ensure errors do not occur and go undetected and uncorrected. The corrective action plan provided will not be complete until July 2018, so this finding will remain open until we complete a review as part of our audit work to support the fiscal year 2018 *Comprehensive Annual Financial Report*.

IDAHO TRANSPORTATION DEPARTMENT (Department)

FINDING 2017-102

The Grants Receivable and Accounts Payable closing packages contained errors resulting in the understatement of grants receivable, revenue, and accounts payable.

Type of Finding: Significant Deficiency

Criteria: Each year, State agencies are required to report financial information to the Office of the State Controller (SCO) in the form of closing packages, which provide the information necessary to prepare the statewide CAFR. The SCO provides instructions for reporting information in the closing packages in accordance with Generally Accepted Accounting Principles (GAAP).

Grants receivable should be reported when grant eligibility requirements have been met. This generally occurs when the Department has incurred allowable grant expenditures, but has not been reimbursed at June 30; therefore, grants receivable should also include any accounts payable related to federal expenditures. Additionally, receivables should be reported as revenue if the Department expects to receive the funds

STATE OF IDAHO
BASIC FINANCIAL STATEMENTS FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

during the State's revenue recognition period, within 60 days of fiscal year-end. The amount expected to be collected after the 60 days should be reported as unavailable revenue.

Condition: The Grants Receivable closing package incorrectly reported \$3.9 million received within the State's revenue recognition period as unavailable revenue. The Department's reimbursement request process occurs on a weekly basis, and the requested funds are received the following day. Based on this regular schedule, the Department should have been able to anticipate that the reimbursement would be received within the revenue recognition period.

Additional accounts payable totaling \$4.6 million related to federal grant expenditures were not included on the Grants Receivable closing package or reported on the Accounts Payable closing package. A federal reimbursement for these expenditures was received on or before August 31 and should have also been reported as revenue.

Cause: The due date for the Grants Receivable and Accounts Payable closing package was August 14. The Department determined the revenue portion of the grants receivable balance based on the reimbursements that were received by the date the closing package was prepared; however, the amount expected to be received through the end of the 60-day revenue recognition period was not included.

The Department prepared the closing packages using a report of expenditures paid between July 1 and the date the closing packages were prepared. They did not perform procedures to determine if there were additional accounts payable that were paid after the date the closing packages were prepared that should be reported as accounts payable as well as grants receivable.

Effect: The error resulted in an understatement of accounts payable and accounts receivable of \$4.6 million, an overstatement of unavailable revenue of \$3.9 million and an understatement of revenue of \$8.5 million.

Recommendation: We recommend that the Department improve procedures to identify and report all material accounts payable and grants receivable in the applicable closing packages. We further recommend that the Department improve procedures to properly report the portion of grants receivable as revenue in accordance with the State's revenue recognition policy.

Management's View: *ITD acknowledges that the information provided to the State Controller's Office in the appropriate closing packages did not contain the full 60 day values as directed by GAAP. The information provided was accurate as of the date of the closing package in order to meet the State Controller's Office due date. ITD notes that the incomplete information did not materially impact the financial statement in the Comprehensive Annual Financial Report (CAFR). Process changes are underway to improve and achieve accurate and reliable financial information in closing package reporting.*

Management's corrective action plan is to provide information based on the 60 days after year-end revenue recognition period as directed by GAAP. To improve efficiency and accuracy the Department will submit closing package information after month-end reconciliation. Information for the month of July will be used to meet closing package deadline prior to the State's revenue recognition period, within 60 days of fiscal year-end. Closing packages will be amended in the month of September to include reconciled information for the month of August. Re-evaluation of corrective action plan will not be possible until closing packages are completed for FY 2018.

The challenge State agencies have is the closing package due dates are prior to the 60 days after year-end revenue recognition period. This creates an inefficient reporting process by requiring the agency

STATE OF IDAHO
BASIC FINANCIAL STATEMENTS FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

to amend the closing package. Essentially doing the work twice and creating an opportunity for discrepancies. The Department will work with the Office of the State Controller to improve closing package instructions and align deadlines with Generally Accepted Accounting Principles (GAAP).

The execution of these additional controls should identify and report all material accounts payable and grants receivable identified in the recent audit and prevent future failures of the same nature from occurring.

Auditor's Concluding Remarks: We thank the Department for its cooperation and assistance throughout the audit. The corrective action plan provided will not be complete until September 2018, so this finding will remain open until we complete a review as part of our audit work to support the fiscal year 2018 *Comprehensive Annual Financial Report*.

Transportation Services

FY 2019 JFAC Action

	FTP	Gen	Ded	Fed	Total
FY 2018 Original Appropriation	203.00	0	35,869,800	1,505,200	37,375,000
Reappropriation	0.00	0	994,100	0	994,100
Supplementals					
1. Replace District 3 Shop	0.00	0	1,381,300	0	1,381,300
FY 2018 Total Appropriation	203.00	0	38,245,200	1,505,200	39,750,400
FY 2018 Estimated Expenditures	203.00	0	38,245,200	1,505,200	39,750,400
Removal of Onetime Expenditures	0.00	0	(8,628,400)	(90,000)	(8,718,400)
Base Adjustments	6.00	0	439,700	0	439,700
FY 2019 Base	209.00	0	30,056,500	1,415,200	31,471,700
Benefit Costs	0.00	0	(249,000)	(7,000)	(256,000)
Replacement Items	0.00	0	1,417,200	0	1,417,200
Statewide Cost Allocation	0.00	0	61,100	0	61,100
Change in Employee Compensation	0.00	0	448,500	12,500	461,000
FY 2019 Program Maintenance	209.00	0	31,734,300	1,420,700	33,155,000
Line Items					
7. Increase to Idaho Airport Aid Program	0.00	0	200,000	0	200,000
8. Statewide Capital Facilities Needs	0.00	0	210,000	0	210,000
10. Target Operating Model for Technology	0.00	0	1,225,000	0	1,225,000
11. Configuration Management Database	0.00	0	310,000	0	310,000
12. Increase to Federal Funding	0.00	0	35,000	315,000	350,000
14. New Aircraft	0.00	0	2,000,000	0	2,000,000
Cash Transfers	0.00	0	0	0	0
Budget Law Exemptions	0.00	0	0	0	0
FY 2019 Total	209.00	0	35,714,300	1,735,700	37,450,000
Chg from FY 2018 Orig Approp.	6.00	0	(155,500)	230,500	75,000
% Chg from FY 2018 Orig Approp.	3.0%		(0.4%)	15.3%	0.2%

S1367 of 2018 Bill Language

SECTION 3. CONTINUOUSLY APPROPRIATED MONEYS. It is the intent of the Legislature that all moneys transferred to the Local Bridge Inspection Fund and to the Railroad Grade Crossing Protection Fund, as provided in Section 63-2412, Idaho Code, are hereby continuously appropriated to the Idaho Transportation Department for the stated purpose of those funds.

SECTION 4. GATEWAY VISITOR CENTERS TRANSFER. There is hereby appropriated and the State Controller shall transfer \$25,000 from the State Highway Fund within the Idaho Transportation Department to the Tourism and Promotion Fund within the Department of Commerce on July 1, 2018, or as soon there after as practicable, for the period July 1, 2018, through June 30, 2019, for the purpose of providing the matching fund support for the Gateway Visitor Centers

SECTION 6. REAPPROPRIATION AUTHORITY FOR AIRPORT DEVELOPMENT GRANTS. There is hereby reappropriated to the Idaho Transportation Department any unexpended and unencumbered balances appropriated or reappropriated to the Idaho Transportation Department from the State Aeronautics Fund as trustee and benefit payments for Airport Development Grants for fiscal year 2018 to be used for nonrecurring expenditures related to Airport Development Grants for the period July1, 2018, through June30, 2019.

SECTION 7. BOND PAYMENT AUTHORIZATION. The federal GARVEE bond payment for fiscal year 2019 is approximately \$52,500,000. It is hereby appropriated and the Idaho Transportation Board is hereby authorized to transfer up to \$4,800,000 from within the State Highway Fund to the GARVEE Debt Service Fund to pay the state match as required for federal funds committed to pay the annual scheduled debt service for fiscal year 2019.

Transportation Services

Analyst: Otto

Historical Summary

OPERATING BUDGET	FY 2018 Total App	FY 2018 Actual	FY 2019 Approp	FY 2020 Request	FY 2020 Gov Rec
BY PROGRAM					
Administration	28,172,000	25,780,900	28,493,200	31,736,500	31,493,700
Capital Facilities	7,244,300	7,267,000	3,555,000	18,295,000	5,795,000
Aeronautics	4,334,100	3,165,800	5,401,800	3,601,800	3,611,100
Total:	39,750,400	36,213,700	37,450,000	53,633,300	40,899,800
BY FUND CATEGORY					
Dedicated	38,245,200	35,038,400	35,714,300	51,894,200	39,156,000
Federal	1,505,200	1,175,300	1,735,700	1,739,100	1,743,800
Total:	39,750,400	36,213,700	37,450,000	53,633,300	40,899,800
Percent Change:		(8.9%)	3.4%	43.2%	9.2%
BY OBJECT OF EXPENDITURE					
Personnel Costs	17,716,600	15,980,400	18,361,300	18,581,900	18,750,800
Operating Expenditures	10,325,400	10,013,900	11,066,700	14,334,100	13,931,700
Capital Outlay	9,274,300	8,989,400	6,832,000	19,377,300	6,877,300
Trustee/Benefit	2,434,100	1,230,000	1,190,000	1,340,000	1,340,000
Total:	39,750,400	36,213,700	37,450,000	53,633,300	40,899,800
Full-Time Positions (FTP)	203.00	203.00	209.00	209.00	209.00

Division Description

The Transportation Services Division includes the following three programs:

- 1) Administration develops long-range budgetary plans; develops legislation and operates information systems; provides employee services, financial services, and facilities management; and coordinates research activities.
- 2) Capital Facilities administers the design, building, and maintenance of department facilities.
- 3) Aeronautics assists Idaho municipalities in developing their airports and operates the state's air fleet.

Transportation Services

Analyst: Otto

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2019 Original Appropriation	209.00	0	37,450,000	209.00	0	37,450,000
Reappropriation	0.00	0	908,500	0.00	0	908,500
1. D5 Headquarters Roof Replacement	0.00	0	330,000	0.00	0	330,000
Cash Transfers & Adjustments	0.00	0	0	0.00	0	0
FY 2019 Total Appropriation	209.00	0	38,688,500	209.00	0	38,688,500
Removal of Onetime Expenditures	0.00	0	(6,600,700)	0.00	0	(6,600,700)
Base Adjustments	0.00	0	(62,200)	0.00	0	(62,200)
FY 2020 Base	209.00	0	32,025,600	209.00	0	32,025,600
Benefit Costs	0.00	0	60,200	0.00	0	(87,200)
Replacement Items	0.00	0	1,906,300	0.00	0	1,906,300
Statewide Cost Allocation	0.00	0	35,200	0.00	0	35,200
Change in Employee Compensation	0.00	0	160,400	0.00	0	476,700
FY 2020 Program Maintenance	209.00	0	34,187,700	209.00	0	34,356,600
5. Increase to Idaho Airport Aid Program	0.00	0	450,000	0.00	0	450,000
6. Video Conference Equipment	0.00	0	458,000	0.00	0	458,000
9. Statewide Capital Facilities Needs	0.00	0	2,100,000	0.00	0	2,100,000
10. D3 Material Lab Testing Facility	0.00	0	350,000	0.00	0	350,000
11. D4 Headquarters Building	0.00	0	12,500,000	0.00	0	0
12. Additional Data Storage	0.00	0	206,000	0.00	0	206,000
13. Software License Compliance	0.00	0	146,400	0.00	0	146,400
14. Network Access Security	0.00	0	200,000	0.00	0	200,000
16. Info Tech Service Mgmt.	0.00	0	1,235,000	0.00	0	985,000
17. Integration Service Layer for Software	0.00	0	1,800,200	0.00	0	1,500,200
GOV TECH 1. Network Equip Replacement	0.00	0	0	0.00	0	147,600
Budget Law Exemptions	0.00	0	0	0.00	0	0
FY 2020 Total	209.00	0	53,633,300	209.00	0	40,899,800
Change from Original Appropriation	0.00	0	16,183,300	0.00	0	3,449,800
% Change from Original Appropriation			43.2%			9.2%

Transportation Services

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2019 Original Appropriation					
	209.00	0	35,714,300	1,735,700	37,450,000
Reappropriation					
					Aeronautics
The department was authorized to reappropriate and carryover its unencumbered and unexpended appropriation balance from FY 2018 into FY 2019. Carryover required legislative approval and is removed as a onetime expenditure before calculating the next year's base.					
Agency Request	0.00	0	908,500	0	908,500
Governor's Recommendation	0.00	0	908,500	0	908,500
1. D5 Headquarters Roof Replacement					
					Capital Facilities
The department requests \$330,000 in onetime capital outlay to replace the roof at its District 5 headquarters located in Pocatello. The roof was installed 25 years ago and temporary repairs were completed in 2017. The roof continues to leak and the department has decided to go out for bid in early 2019. This was appropriated for FY 2018 but the department states that the Division of Public Works did not initiate the project due to a backlog of other projects.					
Agency Request	0.00	0	330,000	0	330,000
Governor's Recommendation	0.00	0	330,000	0	330,000
Cash Transfers & Adjustments					
					Administration
The department requests legislative approval for a onetime cash transfer of up to \$1,176,000 to transfer cash from the GARVEE Capital Project Fund to the State Highway Fund. During FY 2018, the department utilized a Federal Highway Administration approved approach called "Advance Construction" wherein development of eligible work on the US-95 Garwood to Sagle corridor totaled \$1,175,642.26. The department chose to use cash from the State Highway Fund instead of issuing GARVEE Bonds for a small dollar amount. The department plans to issue GARVEE bonds in the spring of 2019, and this adjustment would transfer the cash back to the State Highway Fund.					
The department requests this transfer under the authority of Section 67-3604, Idaho, Code which states, "Closing accounts by state controller. The state controller shall close his accounts as to all appropriations on the day following the close of each fiscal year, and transfer all balances unencumbered at the close of business on the preceding day to the accounts from which such appropriations are severally made. Error corrections resulting from a fiscal year's activities may be recorded without legislative authorization in the following fiscal year, provided the corrections do not exceed five hundred thousand dollars (\$500,000) and are recorded within six (6) months of the end of the fiscal year. Corrections exceeding five hundred thousand dollars (\$500,000) or discovered more than six (6) months after the end of the fiscal year shall be approved by the legislature."					
Analyst Note: This request is not being made to fix an error as allowed by law, rather, the department chose to use the State Highway Fund instead of issuing GARVEE bonds, and the department has requested to set aside Section, 67-3604, Idaho Code, with notwithstanding language.					
If this request is approved the language would need to read as follows:					
SECTION 5. LEGISLATIVE AUTHORIZATION FOR PRIOR PERIOD ADJUSTMENTS. Notwithstanding Section 67-3604, Idaho Code, the Idaho Department of Transportation is hereby authorized, and the Office of the State Controller shall make, the necessary prior period adjustments not to exceed \$1,176,000 from the GARVEE Capital Project Fund to the State Highway Fund for transactions recorded in fiscal year 2018.					
Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2019 Total Appropriation					
Agency Request	209.00	0	36,952,800	1,735,700	38,688,500
Governor's Recommendation	209.00	0	36,952,800	1,735,700	38,688,500

Transportation Services

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Removal of Onetime Expenditures					
This action removes amounts for replacement items and line items funded on a onetime basis in FY 2019.					
Agency Request	0.00	0	(6,600,700)	0	(6,600,700)
Governor's Recommendation	0.00	0	(6,600,700)	0	(6,600,700)

Base Adjustments

Administration, Aeronautics

In the Administration Program: A net zero transfer of \$100,000 in federal appropriation from trustee and benefit payments to operating expenditures on an ongoing basis. The department has a base appropriation of \$628,000 for federally funded Disadvantaged Business Enterprise, Equal Employment Opportunity, and On-The-Job Training Supportive Services Programs, however, the department forecasts using additional operating expenditures going forward. Additionally, the department requests a transfer of \$10,900 in operating expenditures from the Administration Program to the Highway Operations Division and a transfer of \$51,300 in operating expenditures from the Administration Program to the Motor Vehicles Division for Microsoft licensing.

In the Aeronautics Program: Reduces \$19,700 out of the State Aeronautics Fund and \$2,700 from the State Aeronautics - Federal Fund to increase the State Aeronautics - Billings Fund by \$22,400 to align appropriations to funding levels.

Agency Request	0.00	0	(59,500)	(2,700)	(62,200)
Governor's Recommendation	0.00	0	(59,500)	(2,700)	(62,200)

FY 2020 Base

Agency Request	209.00	0	30,292,600	1,733,000	32,025,600
Governor's Recommendation	209.00	0	30,292,600	1,733,000	32,025,600

Benefit Costs

Employer-paid benefit changes include a 5.5% increase for PERSI regular retirement and adjustments to workers' compensation that vary by agency. Agencies were directed to budget \$11,650 per eligible FTP for health insurance, which is the same amount in the current fiscal year.

Agency Request	0.00	0	58,500	1,700	60,200
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The Governor recommends \$11,020 per eligible FTP for health insurance, which is a decrease of \$630, or 5.4%, from the previous year; a temporary rate reduction for agencies that pay the Division of Human Resources for its services; and the PERSI Board's decision to increase the employer contribution by 5.5%.

Governor's Recommendation	0.00	0	(84,800)	(2,400)	(87,200)
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Replacement Items

The Administration Program requests \$1,765,800 to replace support licensing for 117 routers, switches, and firewalls; 14 data storage array modules; 31 laptop docking stations; tablets and accessories; computer equipment, two printers, one desk, two desk chairs, and a security information and event management system.

The Aeronautics Program requests \$140,500 to replace phones, computers, laptops, a utility trailer, an electric irrigation pump, a road side motor, a drone, an aircraft tug, and the left and right engine for the King Air passenger aircraft.

Agency Request	0.00	0	1,906,300	0	1,906,300
Governor's Recommendation	0.00	0	1,906,300	0	1,906,300

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Attorney General fees will decrease by \$3,000, risk management costs will increase by \$2,900, State Controller fees will increase by \$33,100, and State Treasurer fees will increase by \$2,200, for a net increase of \$35,200.

Agency Request	0.00	0	35,200	0	35,200
Governor's Recommendation	0.00	0	35,200	0	35,200

Transportation Services

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Change in Employee Compensation					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	0	156,000	4,400	160,400
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
Governor's Recommendation	0.00	0	463,500	13,200	476,700
FY 2020 Program Maintenance					
Agency Request	209.00	0	32,448,600	1,739,100	34,187,700
Governor's Recommendation	209.00	0	32,612,800	1,743,800	34,356,600
5. Increase to Idaho Airport Aid Program					Aeronautics
The department requests an ongoing appropriation of \$450,000 in trustee and benefits from the State Aeronautics Fund to increase the amount of available funding for the Idaho Airport Aid Program (IAAP). The IAAP provides matching funds to municipal governments for public improvement, as well as assistance to small community airports. The FY 2020 base is \$550,000, and this request would bring the total ongoing appropriation to \$1,000,000 if it is funded. The IAAP is administered according to Idaho Administrative Code, IDAPA 39.04.04.					
Agency Request	0.00	0	450,000	0	450,000
Governor's Recommendation	0.00	0	450,000	0	450,000
6. Video Conference Equipment					Administration
The department requests a total of \$458,000 from the State Highway Fund to upgrade statewide video conferencing equipment. There are 42 Transportation Department video conferencing endpoints across the state, and this request would add an additional three access points. Of this request, \$15,500 is ongoing for annual license fees, \$342,900 in onetime capital outlay would provide the 45 sets of equipment, \$32,000 in operating expenditures to purchase 33 conference room phones, with the remaining \$67,600 in operating expenditures for contracted vendor configuration and installation. This upgrade will provide access to the video conference systems from both internal and external devices. The department believes that this upgrade will provide increased customer service by the enhancement of interaction with mobile devices, and the improvement of video and audio quality.					
Agency Request	0.00	0	458,000	0	458,000
Governor's Recommendation	0.00	0	458,000	0	458,000

Transportation Services

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
9. Statewide Capital Facilities Needs				Capital Facilities	

The department requests a total of \$2,100,000 from the State Highway Fund for facility improvements statewide. Of the amount requested, \$270,000 in ongoing operating expenditures is for travel costs, annual rotating district-wide property condition assessments, project feasibility studies, and land surveys.

The total needed for capital facilities in FY 2020 is \$5,445,000:
 \$3,295,000 in the FY 2020 Base from the State Highway Fund;
 \$50,000 in the FY 2020 Base from the Aeronautics Fund;
 \$270,000 ongoing from the State Highway Fund; and
 \$1,830,000 onetime from the State Highway Fund.

Projects by District:

District 1 total: \$400,000;
 \$300,000 for Clarkia Salt Shed;
 \$60,000 for architectural and engineering design services at the Bonners Ferry maintenance building addition; and
 \$40,000 for a Server Room Fire System replacement at headquarters.

District 2 total: \$1,330,000;
 \$1,000,000 for an ADA accessible ramp and conference room renovation at the main office;
 \$300,000 for salt storage in Kendrick; and
 \$30,000 for architectural and engineering design services at the Grangeville equipment shed.

District 3 total: \$70,000;
 \$45,000 for architectural and engineering design services at \$15,000 each at Council, New Plymouth, and Emmett; and
 \$25,000 for architectural and engineering design services to relocate and extend the Cascade Salt Shed.

District 5 total: \$550,000;
 \$250,000 for the headquarters building chemical storage renovation; and
 \$300,000 for the Pocatello brine making facility upgrade.

District 6 total: \$1,560,000;
 \$300,000 for the Challis equipment shed;
 \$300,000 for the Salmon equipment shed;
 \$600,000 for the Dubois brine facility and well;
 \$30,000 for architectural and engineering design services at the Mackay equipment shed;
 \$30,000 for architectural and engineering design services at the Driggs equipment shed; and
 \$300,000 to rebuild a sewer line in Rigby.

Recurring alterations and repairs total: \$1,535,000;
 \$1,085,000 for districts 1-6 and 9 at \$155,000 each;
 \$50,000 for the Aeronautics Program;
 \$100,000 for statewide preventative maintenance; and
 \$300,000 for travel, property condition assessments.

Agency Request	0.00	0	2,100,000	0	2,100,000
Governor's Recommendation	0.00	0	2,100,000	0	2,100,000

Transportation Services

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
10. D3 Material Lab Testing Facility					Capital Facilities
The department requests \$350,000 in onetime capital outlay to renovate an existing building for its material lab testing. The Division of Building Safety (DBS) inspected the lab during renovations to the district 3 shop located in Boise, and DBS determined the building to be out of compliance due to accessibility, health, and safety concerns. After the determination, the department has been using the lab for storage. The lab is used to test the quality of highway materials such as asphalt and concrete. The lab houses between 60 and 70 internal samplers and approximately 150 contractors. Currently, the testing is taking place in portable test trailers that are only meant for one person though often three or more people are needed for the test.					
Agency Request	0.00	0	350,000	0	350,000
Governor's Recommendation	0.00	0	350,000	0	350,000
11. D4 Headquarters Building					Capital Facilities
The department requests \$12,500,000 in onetime capital outlay to build a new headquarters in district 4. Currently, the building is located in Shoshone and houses approximately 51 employees. Studies of the building show major deficiencies and, as a result, the department requests to build a new facility. The new facility will include open space rooms to allow effective employee interactions while working together as teams, provide for an open floor plan, and provide room for an additional 15 employees currently located in Twin Falls and Rupert that are needed at headquarters.					
The department is requesting to move the headquarters out of Shoshone to land on the southwest corner of the I84/US93 interchange near Twin Falls. The department intends to co-locate with the Military Division and the Department of Corrections. The department believes that the central location will increase service to the public, retain and enhance recruitment efforts by the district, and consolidate district staff to one location.					
Agency Request	0.00	0	12,500,000	0	12,500,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
12. Additional Data Storage					Administration
The department requests \$206,000 onetime for additional data storage to meet the growing needs of the department. Of the total, \$60,000 is from operating expenditures for support and licensing, and \$146,000 is from capital outlay to purchase and install new equipment. This request would fund three shelves, 68 spinning disks, and 25 serial attached SCSI (SAS) discs. The department currently has 175 spinning disks and 30 SAS disks providing 258 terabytes of data storage. The department states that these cannot be replaced with larger capacity disks and the module will need to be expanded for additional storage. The department has focused on record retention and implementation of data and information governance as well as moving shared data to SharePoint or other cloud based solutions. The department is currently at 76% capacity and anticipates to be above 80% by FY 2020. The department is not requesting ongoing funding at this time as the \$60,000 will fund a 17-month support contract; after that time the department may request additional appropriation for a new support contract.					
Agency Request	0.00	0	206,000	0	206,000
Governor's Recommendation	0.00	0	206,000	0	206,000
13. Software License Compliance					Administration
The department requests \$146,400 from the State Highway Fund to purchase the Advantage Employee Self-Service software licenses. Of the total, \$26,400 is for ongoing license fees and the remainder is for the onetime costs of the initial software purchase. The self-service software is used for processing payroll and employee timesheets. During a recent software update, the vendor discovered that it had not charged the department for the licensing since 2006. This request would cover the ongoing costs of the licensing as well as the onetime purchase of the software.					
Agency Request	0.00	0	146,400	0	146,400
Governor's Recommendation	0.00	0	146,400	0	146,400

Transportation Services

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
14. Network Access Security					Administration
<p>The department requests \$200,000 in onetime operating expenditures from the State Highway Fund to purchase, install, and train employees on new network access control devices and software. Of the total, \$80,000 represents configuration, installation, support, licensing, and training for a five-year support contract with the remaining \$120,000 for the purchase of network access control devices. Currently, IT staff have controls in place to verify and control access to wireless networks, and this request would expand coverage to all network connections, including hardwired and wireless access points. The department does not know what the onetime acquisition costs will be but it plans to transfer the amount needed from operating expenditures to capital outlay once the amount is known during FY 2020. The department is not requesting any ongoing funds at this time as this amount includes a five-year support contract; at the end of that contract an additional appropriation may be requested.</p>					
Agency Request	0.00	0	200,000	0	200,000
Governor's Recommendation	0.00	0	200,000	0	200,000
16. Info Tech Service Mgmt.					Administration
<p>The department requests \$1,235,000 in onetime operating expenditures from the State Highway Fund to modernize their Information Technology Service Management (ITSM) platform. The ITSM system will facilitate and coordinate business processes and service delivery of project management, release management, change management, operational support, customer service, security, and reporting. The current ITSM platform, LANDesk-Service Desk was implemented in 2012, and the department notes that, in addition to nearing end-of-life, it has not been utilized as efficiently or effectively as hoped. Newer functionality may provide additional self-service for the department's 3,500 IT helpdesk users (including contractors and employees), real-time status updates, data metrics and reporting on IT needs, and automated case categorization, prioritization, and assignment. There is currently \$150,000 in the base budget for ongoing maintenance costs, however, true ongoing costs are unknown. This request also includes a 20% contingency to compensate for unknown developments. The department was appropriated \$1,225,000 for FY 2019 for a Target Operating Model (TOM) for IT, which will focus on developing people, processes, and technology. The department is currently working on process improvements and creating efficiencies for the TOM and the outcome will determine how the department moves forward with the ITSM. The request is broken down as follows:</p> <p>\$675,000 to purchase and have the vendor configure and install the ITSM solution; \$280,000 to contract a project manager, business analyst, and solution architect; \$30,000 to develop and deliver training; and \$250,000 for a 20% contingency to cover unanticipated costs.</p>					
Agency Request	0.00	0	1,235,000	0	1,235,000
<i>Recommended by the Governor, with the exception of \$250,000 for the contingency.</i>					
Governor's Recommendation	0.00	0	985,000	0	985,000

Transportation Services

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
17. Integration Service Layer for Software					Administration

The department requests \$1,800,200 in onetime operating expenditures to plan, design, build, and implement an Application Programming Interface (API) layer. An API allows two independent applications to communicate and exchange information. The department believes that through implementing this API it will eventually serve as a single point of software for ITD's network. The project is expected to last 15 months: 12 months in FY 2020 and three months into FY 2021. The department plans to encumber the funds from FY 2020 to FY 2021. The budget request breaks down as follows:

\$780,000 for three contracted software developers;
 \$291,200 for two contracted business analysts;
 \$208,000 for one contracted system administrator;
 \$104,000 for one contracted part-time project manager;
 \$65,000 for one contracted part-time software architect;
 \$52,000 for one contracted part-time technical writer; and
 \$300,000 for a 20% contingency to cover any unanticipated costs or unknowns.

The department is not requesting any ongoing costs but future costs will prompt additional funding requests if additional applications are integrated onto the service layer.

Analyst Note: Pursuant to Section 67-3521(2), Idaho Code, encumbrances are unable to be used as a means of reserving a portion of the appropriation from one fiscal year to the next; "Encumbrances shall be reported as reductions against appropriations in anticipation of an object coded expenditure, shall be made only for a legally contracted obligation or for the accrued cost of a specific product or service due and payable prior to or as of the end of the current fiscal year or for the term of the contract obligation, and shall not be used as a means of reserving a portion of the appropriation of one (1) fiscal year to be used in combination with the appropriation of the following year."

Agency Request	0.00	0	1,800,200	0	1,800,200
<i>Recommended by the Governor, with the exception of \$300,000 for the contingency.</i>					
Governor's Recommendation	0.00	0	1,500,200	0	1,500,200

GOV TECH 1. Network Equip Replacement

Agency Request	0.00	0	0	0	0
<i>The Governor recommends onetime funding for the replacement of the state's core network equipment and this amount reflects this agency's share of that cost.</i>					
Governor's Recommendation	0.00	0	147,600	0	147,600

Budget Law Exemptions

Capital Facilities, Aeronautics

The agency requests the following language to be included in its FY 2020 appropriation bill:

REAPPROPRIATION AUTHORITY FOR CAPITAL FACILITIES. There is hereby reappropriated to the Idaho Transportation Department any unexpended and unencumbered balances appropriated or reappropriated to the Idaho Transportation Department from the State Highway Fund and the State Aeronautics Fund for the Capital Facilities Division for fiscal year 2019 to be used for nonrecurring expenditures for the Capital Facilities Division for the period July 1, 2019, through June 30, 2020.

REAPPROPRIATION AUTHORITY FOR AIRPORT DEVELOPMENT GRANTS. There is hereby reappropriated to the Idaho Transportation Department any unexpended or unencumbered balances appropriated or reappropriated to the Idaho Transportation Department from the State Aeronautics Fund as Trustee and Benefit payments for Airport Development Grants for fiscal year 2019 to be used for nonrecurring expenditures related to Airport Development Grants for the period of July 1, 2019, through June 30, 2020.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

Transportation Services

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2020 Total					
Agency Request	209.00	0	51,894,200	1,739,100	53,633,300
<i>Governor's Recommendation</i>	<i>209.00</i>	<i>0</i>	<i>39,156,000</i>	<i>1,743,800</i>	<i>40,899,800</i>
Agency Request					
Change from Original App	0.00	0	16,179,900	3,400	16,183,300
% Change from Original App	0.0%		45.3%	0.2%	43.2%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>0</i>	<i>3,441,700</i>	<i>8,100</i>	<i>3,449,800</i>
<i>% Change from Original App</i>	<i>0.0%</i>		<i>9.6%</i>	<i>0.5%</i>	<i>9.2%</i>

Transportation Services

FY 2020,

Replacement Items

Replacement Items	Quantity in Stock	Quantity Requested	Average of Unit Cost	Total Request	Total Gov Rec
Computer Equipment	865	336	\$20,054	\$1,611,800	\$1,611,800
Computer Software	1	1	\$29,300	\$29,300	\$29,300
Misc. Expenditures	2	2	\$65,750	\$131,500	\$131,500
Motorized Equipment	2	2	\$12,500	\$25,000	\$25,000
Non-motorized Equipment	4	3	\$30,400	\$91,200	\$91,200
Office Equipment	20	3	\$1,250	\$3,500	\$3,500
Road Equipment	1	1	\$8,000	\$8,000	\$8,000
Specific Use Equipment	1	1	\$6,000	\$6,000	\$6,000
Grand Total				\$1,906,300	\$1,906,300

Motor Vehicles

Analyst: Otto

FY 2018 Actual Expenditures by Division

			FTP	PC	OE	CO	T/B	LS	Total
0.30	FY 2018 Original Appropriation								
	0260-02	Ded	237.00	15,337,100	17,663,100	843,800	0	0	33,844,000
	0260-03	Fed	0.00	0	3,600,000	0	0	0	3,600,000
	Totals:		237.00	15,337,100	21,263,100	843,800	0	0	37,444,000
0.43	Supplementals								
	0260-02	Ded	0.00	0	1,000,000	0	0	0	1,000,000
	Totals:		0.00	0	1,000,000	0	0	0	1,000,000
1.00	FY 2018 Total Appropriation								
	0260-02	Ded	237.00	15,337,100	18,663,100	843,800	0	0	34,844,000
	0260-03	Fed	0.00	0	3,600,000	0	0	0	3,600,000
	Totals:		237.00	15,337,100	22,263,100	843,800	0	0	38,444,000
1.21	Net Object Transfer								
	0260-02	Ded	0.00	0	(176,900)	176,900	0	0	0
	0260-03	Fed	0.00	0	(11,700)	11,700	0	0	0
	Totals:		0.00	0	(188,600)	188,600	0	0	0
1.31	Net Transfer Between Programs								
	0260-02	Ded	0.00	0	39,700	0	0	0	39,700
	Totals:		0.00	0	39,700	0	0	0	39,700
1.61	Reverted Appropriation								
	0260-02	Ded	0.00	(726,900)	(86,100)	(98,200)	0	0	(911,200)
	0260-03	Fed	0.00	0	(1,937,000)	(400)	0	0	(1,937,400)
	Totals:		0.00	(726,900)	(2,023,100)	(98,600)	0	0	(2,848,600)
2.00	FY 2018 Actual Expenditures								
	0260-02	Ded	237.00	14,610,200	18,439,800	922,500	0	0	33,972,500
	State Highway (Dedicated)			14,610,200	18,439,800	922,500	0	0	33,972,500
	0260-03	Fed	0.00	0	1,651,300	11,300	0	0	1,662,600
	State Highway (Federal)			0	1,651,300	11,300	0	0	1,662,600
	Totals:		237.00	14,610,200	20,091,100	933,800	0	0	35,635,100
Difference: Actual Expenditures minus Total Appropriation									
	0260-02	Ded		(726,900)	(223,300)	78,700	0	0	(871,500)
	State Highway (Dedicated)			(4.7%)	(1.2%)	9.3%	N/A	N/A	(2.5%)
	0260-03	Fed		0	(1,948,700)	11,300	0	0	(1,937,400)
	State Highway (Federal)			N/A	(54.1%)	N/A	N/A	N/A	(53.8%)
	Difference From Total Approp			(726,900)	(2,172,000)	90,000	0	0	(2,808,900)
	Percent Diff From Total Approp			(4.7%)	(9.8%)	10.7%	N/A	N/A	(7.3%)

Motor Vehicles

FY 2019 JFAC Action

	FTP	Gen	Ded	Fed	Total
FY 2018 Original Appropriation	237.00	0	33,844,000	3,600,000	37,444,000
Supplementals					
1. IRP Software Replacement	0.00	0	1,000,000	0	1,000,000
FY 2018 Total Appropriation	237.00	0	34,844,000	3,600,000	38,444,000
FY 2018 Estimated Expenditures	237.00	0	34,844,000	3,600,000	38,444,000
Removal of Onetime Expenditures	0.00	0	(1,972,100)	0	(1,972,100)
Base Adjustments	0.00	0	(40,000)	0	(40,000)
FY 2019 Base	237.00	0	32,831,900	3,600,000	36,431,900
Benefit Costs	0.00	0	(308,800)	0	(308,800)
Replacement Items	0.00	0	625,400	0	625,400
Statewide Cost Allocation	0.00	0	7,300	0	7,300
Change in Employee Compensation	0.00	0	362,900	0	362,900
FY 2019 Program Maintenance	237.00	0	33,518,700	3,600,000	37,118,700
Line Items					
4. DMV VOIP System Upgrade	0.00	0	250,000	0	250,000
5. DMV County Equipment	0.00	0	203,500	0	203,500
6. Software for the DMV Computers	0.00	0	28,300	0	28,300
FY 2019 Total	237.00	0	34,000,500	3,600,000	37,600,500
Chg from FY 2018 Orig Approp.	0.00	0	156,500	0	156,500
% Chg from FY 2018 Orig Approp.	0.0%		0.5%	0.0%	0.4%

Motor Vehicles

Analyst: Otto

Historical Summary

OPERATING BUDGET	FY 2018 Total App	FY 2018 Actual	FY 2019 Approp	FY 2020 Request	FY 2020 Gov Rec
BY FUND CATEGORY					
Dedicated	34,844,000	33,972,500	34,000,500	33,971,000	34,045,100
Federal	3,600,000	1,662,600	3,600,000	3,600,000	3,600,000
Total:	38,444,000	35,635,100	37,600,500	37,571,000	37,645,100
Percent Change:		(7.3%)	5.5%	(0.1%)	0.1%
BY OBJECT OF EXPENDITURE					
Personnel Costs	15,337,100	14,610,200	15,391,200	15,564,400	15,648,500
Operating Expenditures	22,263,100	20,091,100	21,642,500	21,458,600	21,458,600
Capital Outlay	843,800	933,800	566,800	548,000	538,000
Total:	38,444,000	35,635,100	37,600,500	37,571,000	37,645,100
Full-Time Positions (FTP)	237.00	237.00	237.00	237.00	237.00

Division Description

The Division of Motor Vehicles (DMV) manages driver's licenses, vehicle registrations, license plates, and vehicle titles. This division also works to meet the needs and expectations of motor vehicle customers and the county sheriffs and assessors who work as the department's agents.

Motor Vehicles

Comparative Summary

Analyst: Otto

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2019 Original Appropriation	237.00	0	37,600,500	237.00	0	37,600,500
Removal of Onetime Expenditures	0.00	0	(1,024,900)	0.00	0	(1,024,900)
Base Adjustments	0.00	0	51,300	0.00	0	51,300
FY 2020 Base	237.00	0	36,626,900	237.00	0	36,626,900
Benefit Costs	0.00	0	46,700	0.00	0	(118,000)
Replacement Items	0.00	0	730,200	0.00	0	720,200
Statewide Cost Allocation	0.00	0	(13,700)	0.00	0	(13,700)
Change in Employee Compensation	0.00	0	126,500	0.00	0	375,300
FY 2020 Program Maintenance	237.00	0	37,516,600	237.00	0	37,590,700
4. DMV County Equipment	0.00	0	8,800	0.00	0	8,800
7. DMV Corrections ID Cards	0.00	0	45,600	0.00	0	45,600
FY 2020 Total	237.00	0	37,571,000	237.00	0	37,645,100
Change from Original Appropriation	0.00	0	(29,500)	0.00	0	44,600
% Change from Original Appropriation			(0.1%)			0.1%

Motor Vehicles

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2019 Original Appropriation					
	237.00	0	34,000,500	3,600,000	37,600,500

Removal of Onetime Expenditures

This action removes amounts for replacement items and line items funded on a onetime basis in FY 2019.

Agency Request	0.00	0	(1,024,900)	0	(1,024,900)
Governor's Recommendation	0.00	0	(1,024,900)	0	(1,024,900)

Base Adjustments

The department requests an ongoing transfer of \$51,300 in operating expenditures from the Administration Program to the Motor Vehicles Division for Microsoft licensing.

Agency Request	0.00	0	51,300	0	51,300
Governor's Recommendation	0.00	0	51,300	0	51,300

FY 2020 Base

Agency Request	237.00	0	33,026,900	3,600,000	36,626,900
Governor's Recommendation	237.00	0	33,026,900	3,600,000	36,626,900

Benefit Costs

Employer-paid benefit changes include a 5.5% increase for PERSI regular retirement and adjustments to workers' compensation that vary by agency. Agencies were directed to budget \$11,650 per eligible FTP for health insurance, which is the same amount in the current fiscal year.

Agency Request	0.00	0	46,700	0	46,700
<i>The Governor recommends \$11,020 per eligible FTP for health insurance, which is a decrease of \$630, or 5.4%, from the previous year; a temporary rate reduction for agencies that pay the Division of Human Resources for its services; and the PERSI Board's decision to increase the employer contribution by 5.5%.</i>					
Governor's Recommendation	0.00	0	(118,000)	0	(118,000)

Replacement Items

The Division of Motor Vehicles requests \$730,200 to replace portable radios, printers, conference room desks and chairs, network equipment, phones, computers and laptops, open/close signs, scale weight indicators and replacement scales, and mountable recorders.

Agency Request	0.00	0	730,200	0	730,200
Governor's Recommendation	0.00	0	720,200	0	720,200

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Attorney General fees will decrease by \$700, and risk management costs will decrease by \$13,000, for a net reduction of \$13,700.

Agency Request	0.00	0	(13,700)	0	(13,700)
Governor's Recommendation	0.00	0	(13,700)	0	(13,700)

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	0	126,500	0	126,500
<i>The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor recommends the pay structure for state employees be moved by 2% and includes \$900 for that purpose.</i>					
Governor's Recommendation	0.00	0	375,300	0	375,300

FY 2020 Program Maintenance

Agency Request	237.00	0	33,916,600	3,600,000	37,516,600
Governor's Recommendation	237.00	0	33,990,700	3,600,000	37,590,700

Motor Vehicles

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. DMV County Equipment					Motor Vehicles
The department requests a onetime appropriation of \$8,800 to acquire equipment in the county driver licensing and motor vehicle offices. Items will include eight computer workstations at \$1,100 each for a total of \$8,800. Additional resources will help counties provide better customer service as customer volume is increasing. Currently, there are 114 statewide county DMVs throughout Idaho; 59 assessor (motor vehicle) locations, and 55 sheriff (drivers licensing) locations.					
Agency Request	0.00	0	8,800	0	8,800
Governor's Recommendation	0.00	0	8,800	0	8,800
7. DMV Corrections ID Cards					Motor Vehicles
The department requests \$7,700 in onetime capital outlay, \$8,100 in onetime operating expenditures, and \$29,800 in ongoing operating expenditures for a total of \$45,600 to acquire additional purchased or leased equipment for identification card (ID) issuance at certain Idaho Department of Corrections (IDOC) facilities statewide. Currently, there are 13 IDOC facilities (nine prisons and four work centers) and this request would provide equipment at nine centralized locations to serve all 13 facilities. This equipment would allow inmates who are being released to obtain an ID prior to their release, however, this equipment will not provide drivers licenses, titles, or any other DMV-related services.					
On average, approximately 200 of the inmates released per month from all IDOC locations may require the issuance of an ID either prior to or immediately upon their release. Currently, IDOC escorts inmates from the four work centers to a county DMV office, however, due to issues with security levels and custody, inmates at the nine prison facilities are not escorted to a DMV office and are unable to obtain a valid ID until after their release. Providing IDOC with ID issuance equipment at centralized secure locations will allow IDs to be issued onsite, rather than requiring the transportation of inmates to county offices. The DMV is starting a pilot program during FY 2019 with two mobile stations and two fixed stations at IDOC locations to ensure that the technology works as expected. Additionally, the pilot project will help determine the locations of fixed stations. At the end of the pilot, the two fixed stations will be retained at the IDOC locations and are not included in the funding for this request.					
Agency Request	0.00	0	45,600	0	45,600
Governor's Recommendation	0.00	0	45,600	0	45,600
FY 2020 Total					
Agency Request	237.00	0	33,971,000	3,600,000	37,571,000
Governor's Recommendation	237.00	0	34,045,100	3,600,000	37,645,100
Agency Request					
Change from Original App	0.00	0	(29,500)	0	(29,500)
% Change from Original App	0.0%		(0.1%)	0.0%	(0.1%)
Governor's Recommendation					
Change from Original App	0.00	0	44,600	0	44,600
% Change from Original App	0.0%		0.1%	0.0%	0.1%

Motor Vehicles

FY 2020,

Replacement Items

Replacement Items	Quantity in Stock	Quantity Requested	Average of Unit Cost	Total Request	Total Gov Rec
Computer Equipment	553	163	\$2,500	\$208,200	\$198,200
Computer Software	1	1	\$4,500	\$4,500	\$4,500
Misc. Expenditures	175	111	\$17,283	\$177,100	\$177,100
Office Equipment	5	2	\$1,300	\$2,600	\$2,600
Radio Equipment	16	15	\$900	\$13,500	\$13,500
Specific Use Equipment	93	49	\$24,800	\$324,300	\$324,300
Grand Total				\$730,200	\$720,200

Highway Operations

Analyst: Otto

FY 2018 Actual Expenditures by Division

			FTP	PC	OE	CO	T/B	LS	Total
0.30	FY 2018 Original Appropriation								
	0260-02	Ded	948.00	84,829,400	51,944,100	23,930,100	462,000	0	161,165,600
	0260-05	Ded	4.50	228,300	80,800	0	0	0	309,100
	0260-03	Fed	255.50	13,667,100	4,558,400	0	19,861,800	0	38,087,300
	Totals:		1,208.00	98,724,800	56,583,300	23,930,100	20,323,800	0	199,562,000
1.00	FY 2018 Total Appropriation								
	0260-02	Ded	948.00	84,829,400	51,944,100	23,930,100	462,000	0	161,165,600
	0260-05	Ded	4.50	228,300	80,800	0	0	0	309,100
	0260-03	Fed	255.50	13,667,100	4,558,400	0	19,861,800	0	38,087,300
	Totals:		1,208.00	98,724,800	56,583,300	23,930,100	20,323,800	0	199,562,000
1.21	Net Object Transfer								
	0260-02	Ded	0.00	(10,162,800)	10,162,800	0	0	0	0
	Totals:		0.00	(10,162,800)	10,162,800	0	0	0	0
1.31	Net Transfer Between Programs								
	0260-02	Ded	0.00	0	(24,800)	0	0	0	(24,800)
	Totals:		0.00	0	(24,800)	0	0	0	(24,800)
1.41	Receipt to Appropriation								
	0260-02	Ded	0.00	0	993,900	171,700	0	0	1,165,600
	Totals:		0.00	0	993,900	171,700	0	0	1,165,600
1.61	Reverted Appropriation								
	0260-02	Ded	0.00	(2,532,400)	(320,600)	(255,700)	(15,800)	0	(3,124,500)
	0260-05	Ded	0.00	(181,300)	(80,300)	0	0	0	(261,600)
	0260-03	Fed	0.00	(2,286,800)	(1,262,200)	0	(4,043,800)	0	(7,592,800)
	Totals:		0.00	(5,000,500)	(1,663,100)	(255,700)	(4,059,600)	0	(10,978,900)
1.91	Other Adjustment								
	0260-02	Ded	0.00	0	0	(11,100)	0	0	(11,100)
	0260-03	Fed	0.00	0	0	11,100	(100)	0	11,000
	Totals:		0.00	0	0	0	(100)	0	(100)
2.00	FY 2018 Actual Expenditures								
	0260-02	Ded	948.00	72,134,200	62,755,400	23,835,000	446,200	0	159,170,800
	State Highway (Dedicated)			72,134,200	62,755,400	23,835,000	446,200	0	159,170,800
	0260-05	Ded	4.50	47,000	500	0	0	0	47,500
	State Highway (Local)			47,000	500	0	0	0	47,500
	0260-03	Fed	255.50	11,380,300	3,296,200	11,100	15,817,900	0	30,505,500
	State Highway (Federal)			11,380,300	3,296,200	11,100	15,817,900	0	30,505,500
	Totals:		1,208.00	83,561,500	66,052,100	23,846,100	16,264,100	0	189,723,800

Highway Operations

Analyst: Otto

FY 2018 Actual Expenditures by Division

		FTP	PC	OE	CO	T/B	LS	Total
Difference: Actual Expenditures minus Total Appropriation								
0260-02	Ded	(12,695,200)		10,811,300	(95,100)	(15,800)	0	(1,994,800)
	State Highway (Dedicated)	(15.0%)		20.8%	(0.4%)	(3.4%)	N/A	(1.2%)
0260-05	Ded	(181,300)		(80,300)	0	0	0	(261,600)
	State Highway (Local)	(79.4%)		(99.4%)	N/A	N/A	N/A	(84.6%)
0260-03	Fed	(2,286,800)		(1,262,200)	11,100	(4,043,900)	0	(7,581,800)
	State Highway (Federal)	(16.7%)		(27.7%)	N/A	(20.4%)	N/A	(19.9%)
Difference From Total Approp		(15,163,300)		9,468,800	(84,000)	(4,059,700)	0	(9,838,200)
Percent Diff From Total Approp		(15.4%)		16.7%	(0.4%)	(20.0%)	N/A	(4.9%)

Highway Operations

FY 2019 JFAC Action

	FTP	Gen	Ded	Fed	Total
FY 2018 Original Appropriation	1,208.00	0	161,474,700	38,087,300	199,562,000
FY 2018 Total Appropriation	1,208.00	0	161,474,700	38,087,300	199,562,000
FY 2018 Estimated Expenditures	1,208.00	0	161,474,700	38,087,300	199,562,000
Removal of Onetime Expenditures	0.00	0	(23,974,900)	(3,350,000)	(27,324,900)
Base Adjustments	(6.00)	0	(436,400)	(3,300)	(439,700)
FY 2019 Base	1,202.00	0	137,063,400	34,734,000	171,797,400
Benefit Costs	0.00	0	(1,308,000)	(211,200)	(1,519,200)
Replacement Items	0.00	0	19,031,100	0	19,031,100
Statewide Cost Allocation	0.00	0	(233,400)	0	(233,400)
Change in Employee Compensation	0.00	0	2,105,300	340,000	2,445,300
FY 2019 Program Maintenance	1,202.00	0	156,658,400	34,862,800	191,521,200
Line Items					
2. Behavioral Safety Funding	0.00	0	500,000	0	500,000
3. Highway Operation Equipment	0.00	0	744,200	0	744,200
9. Purchase New TAMS System	0.00	0	2,350,000	0	2,350,000
13. FAST Act Increase	0.00	0	32,500	493,600	526,100
15. Decrease in Personnel Costs	0.00	0	(1,475,000)	0	(1,475,000)
FY 2019 Total	1,202.00	0	158,810,100	35,356,400	194,166,500
Chg from FY 2018 Orig Approp.	(6.00)	0	(2,664,600)	(2,730,900)	(5,395,500)
% Chg from FY 2018 Orig Approp.	(0.5%)		(1.7%)	(7.2%)	(2.7%)

Highway Operations

Analyst: Otto

Historical Summary

OPERATING BUDGET	FY 2018 Total App	FY 2018 Actual	FY 2019 Approp	FY 2020 Request	FY 2020 Gov Rec
BY FUND CATEGORY					
Dedicated	161,474,700	159,218,300	158,810,100	165,136,500	164,200,300
Federal	38,087,300	30,505,500	35,356,400	37,835,900	37,922,800
Total:	199,562,000	189,723,800	194,166,500	202,972,400	202,123,100
Percent Change:		(4.9%)	2.3%	4.5%	4.1%
BY OBJECT OF EXPENDITURE					
Personnel Costs	98,724,800	83,561,500	97,736,200	100,377,800	99,528,500
Operating Expenditures	56,583,300	66,052,100	59,377,100	60,846,100	60,846,100
Capital Outlay	23,930,100	23,846,100	19,736,200	22,617,600	22,617,600
Trustee/Benefit	20,323,800	16,264,100	17,317,000	19,130,900	19,130,900
Total:	199,562,000	189,723,800	194,166,500	202,972,400	202,123,100
Full-Time Positions (FTP)	1,208.00	1,208.00	1,202.00	1,202.00	1,202.00

Division Description

The Highway Operations Division performs statewide highway maintenance functions and directs highway improvements; administers federal-aid safety improvement projects and safety tasks; protects highways from oversize, overweight, and dangerous usage; manages federal transit grant programs and encourages coordinated transportation services; develops projects to improve state and local highway systems to save lives; and coordinates transportation research efforts.

Highway Operations

Comparative Summary

Analyst: Otto

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2019 Original Appropriation	1,202.00	0	194,166,500	1,202.00	0	194,166,500
Removal of Onetime Expenditures	0.00	0	(22,125,300)	0.00	0	(22,125,300)
Base Adjustments	0.00	0	1,485,900	0.00	0	10,900
FY 2020 Base	1,202.00	0	173,527,100	1,202.00	0	172,052,100
Benefit Costs	0.00	0	309,600	0.00	0	(547,300)
Replacement Items	0.00	0	20,774,700	0.00	0	20,774,700
Statewide Cost Allocation	0.00	0	1,156,900	0.00	0	1,156,900
Change in Employee Compensation	0.00	0	857,000	0.00	0	2,339,600
FY 2020 Program Maintenance	1,202.00	0	196,625,300	1,202.00	0	195,776,000
3. Highway Operations Equipment	0.00	0	2,343,200	0.00	0	2,343,200
8. AASHTO Data Analytics Software	0.00	0	750,000	0.00	0	750,000
15. GIS Integration Initiative	0.00	0	1,255,000	0.00	0	1,255,000
18. FAST Act Increases	0.00	0	582,900	0.00	0	582,900
19. Public Transportation Federal Grants	0.00	0	1,416,000	0.00	0	1,416,000
FY 2020 Total	1,202.00	0	202,972,400	1,202.00	0	202,123,100
Change from Original Appropriation	0.00	0	8,805,900	0.00	0	7,956,600
% Change from Original Appropriation			4.5%			4.1%

Highway Operations

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2019 Original Appropriation					
	1,202.00	0	158,810,100	35,356,400	194,166,500

Removal of Onetime Expenditures

This action removes amounts for replacement items and line items funded on a onetime basis in FY 2019.

Agency Request	0.00	0	(22,125,300)	0	(22,125,300)
Governor's Recommendation	0.00	0	(22,125,300)	0	(22,125,300)

Base Adjustments

The department requests a fund shift of \$405,300 to the State Highway (Dedicated) Fund, with \$6,900 coming from the State Highway (Local) Fund, and \$398,400 from the State Highway (Federal) Fund.

The department requests a restoration of \$1,475,000 in personnel cost appropriation that was reduced temporarily in FY 2019 to assist the Aeronautics Division in funding a \$2,000,000 replacement airplane.

The department requests an ongoing transfer of \$10,900 in operating expenditures from the Administration Program to the Highway Operations Division for Microsoft licensing.

Agency Request	0.00	0	1,884,300	(398,400)	1,485,900
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The Governor does not recommend the restoration of \$1,475,000 in personal costs but does recommend that the \$1,475,000 be used for highway construction on an ongoing basis; this can be found in the Contract Construction and Right-of-Way Acquisition Division.

Governor's Recommendation	0.00	0	409,300	(398,400)	10,900
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FY 2020 Base					
Agency Request	1,202.00	0	138,569,100	34,958,000	173,527,100
Governor's Recommendation	1,202.00	0	137,094,100	34,958,000	172,052,100

Benefit Costs

Employer-paid benefit changes include a 5.5% increase for PERSI regular retirement and adjustments to workers' compensation that vary by agency. Agencies were directed to budget \$11,650 per eligible FTP for health insurance, which is the same amount in the current fiscal year.

Agency Request	0.00	0	266,500	43,100	309,600
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The Governor recommends \$11,020 per eligible FTP for health insurance, which is a decrease of \$630, or 5.4%, from the previous year; a temporary rate reduction for agencies that pay the Division of Human Resources for its services; and the PERSI Board's decision to increase the employer contribution by 5.5%.

Governor's Recommendation	0.00	0	(471,200)	(76,100)	(547,300)
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Replacement Items

The division requests \$20,774,700 to replace computers, chairs, monitors, cordless drills and batteries, various tools, an impact wrench, hose reels, office equipment, and various trucks and equipment that may be eligible for the Buy Back Program.

Agency Request	0.00	0	20,774,700	0	20,774,700
Governor's Recommendation	0.00	0	20,774,700	0	20,774,700

Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Attorney General fees will decrease by \$4,100, and risk management costs will increase by \$1,161,000, for a net increase of \$1,156,900.

Agency Request	0.00	0	1,156,900	0	1,156,900
Governor's Recommendation	0.00	0	1,156,900	0	1,156,900

Highway Operations

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	0	737,900	119,100	857,000
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The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor recommends the pay structure for state employees be moved by 2% and includes \$500 for that purpose.

Governor's Recommendation	0.00	0	2,014,400	325,200	2,339,600
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FY 2020 Program Maintenance

Agency Request	1,202.00	0	161,505,100	35,120,200	196,625,300
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Governor's Recommendation	1,202.00	0	160,568,900	35,207,100	195,776,000
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3. Highway Operations Equipment

Highway Operations

The department requests a onetime appropriation of \$2,343,200 from the State Highway Fund for equipment purchases in Districts 1, 2, 3, 4, and 6. This will fund the purchase of 63 units of various types of road, safety, measuring, and testing equipment.

New/additional equipment includes:

One striping truck for \$555,000;

one forklift for \$63,000;

one post driving truck for \$130,000;

one trailer mounted hot patcher for \$80,000;

one small vibratory roller for \$50,000;

one truck mounted broom for \$20,000;

two tow type litter retrieval machines at \$80,000 each for a total of \$160,000;

six trailer mounted arrow boards at \$6,500 each for a total of \$39,000;

eight trailer mounted message boards at \$20,000 each for a total of \$160,000;

42 crash attenuator units (29 at \$24,000 each and 13 at \$18,000 each) for a total of \$930,000; and

one truck mounted message board for \$11,000.

Operations equipment, mechanics tools, and miscellaneous equipment includes:

District 1 - \$141,000 for the operations of a new Athol maintenance shed (includes \$24,500 for furniture, \$10,800 for appliances, \$8,500 for battery jumpers and testers, and \$97,200 for shop tools); and

District 2 - \$4,200 for a Mack truck diesel engine tool set.

Agency Request	0.00	0	2,343,200	0	2,343,200
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Governor's Recommendation	0.00	0	2,343,200	0	2,343,200
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8. AASHTO Data Analytics Software

Highway Operations

The department requests \$750,000 in onetime operating expenditures for a federal grant received from the American Association of State Highway and Transportation Officials (AASHTO). Funding will be used to support a multi-state project to develop a data analytics module of AASHTOware software. AASHTO project software has modules that will assist the department staff with project management, bridge management, pavement design, and safety analysis. The multi-state project is estimated to cost \$11,000,000 but Idaho's share would be \$750,000.

Agency Request	0.00	0	0	750,000	750,000
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Governor's Recommendation	0.00	0	0	750,000	750,000
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Highway Operations

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
15. GIS Integration Initiative			Highway Operations		
The department requests \$1,225,000 from the State Highway Fund to build out a Geographic Information Systems (GIS) Linear Referencing System (LRS) to bring all road and bridge data, operational data, and data from other state agencies into one universal system. This request would fund year two of a four-year \$4,000,000 project. The LRS is used to define all major assets through milepost, highway number, and locational data. The entire process will encompass upgrading the GIS database, provide an inventory and mapping capability, create a dual carriageway representation of the roads, and integrate LRS with all business operational systems at the department.					
The request for \$1,225,000 includes:					
\$240,000 to contract services for a project manager to develop business requirements, implement the project, and develop and deliver training (2,000 hours at \$120/hour);					
\$400,000 to contract services for two business analysts to gather information for requirements, data analysis, and testing (2,000 hours each at \$100/hour);					
\$100,000 to contract a developer to build out the solution and integrate systems (1,000 hours at \$100/hour);					
\$65,000 to contract an architect to integrate various systems (500 hours at \$130/hour); and					
\$450,000 for vendor specific professional services to provide GIS specific skills and knowledge.					
Agency Request	0.00	0	1,255,000	0	1,255,000
Governor's Recommendation	0.00	0	1,255,000	0	1,255,000
18. FAST Act Increases			Highway Operations		
The department requests \$582,900 ongoing from federal and dedicated funds for a scheduled Fixing America's Surface Transportation (FAST) Act increase, of which \$549,700 is federal funds, and \$33,200 is from the State Highway Fund as the state match. This request includes the increase to FY 2020 levels following federal FAST Act funding and is detailed as follows:					
\$287,300 from the Federal Transportation Administration (FTA), with no state match;					
\$95,900 from the National Highway Transportation Safety Administration (NHTSA), requiring \$3,900 in state match;					
\$117,300 from the Federal Highway Administration (FHWA) Statewide Planning and Research Program, requiring \$29,300 in state match; and					
\$49,200 from the FHWA Metropolitan Planning (MPO), with no state match.					
Agency Request	0.00	0	33,200	549,700	582,900
Governor's Recommendation	0.00	0	33,200	549,700	582,900
19. Public Transportation Federal Grants			Highway Operations		
The department requests \$1,416,000 in onetime federal trustee and benefit payments for two Federal Transit Administration (FTA) grants to improve public transportation. The first grant award was for \$500,000 to purchase or lease two heavy-duty battery electric busses and one fast charging station for the Mountain Rides Transportation Authority (MRTA) in Blaine County. The second grant for a total of \$916,000 was granted to MRTA (\$540,000), the City of Driggs (\$240,000), and the Selkirk Pend Oreille Transit (\$136,000) to purchase various multi-passenger vehicles.					
Agency Request	0.00	0	0	1,416,000	1,416,000
Governor's Recommendation	0.00	0	0	1,416,000	1,416,000
FY 2020 Total					
Agency Request	1,202.00	0	165,136,500	37,835,900	202,972,400
Governor's Recommendation	1,202.00	0	164,200,300	37,922,800	202,123,100
Agency Request					
Change from Original App	0.00	0	6,326,400	2,479,500	8,805,900
% Change from Original App	0.0%		4.0%	7.0%	4.5%
Governor's Recommendation					
Change from Original App	0.00	0	5,390,200	2,566,400	7,956,600
% Change from Original App	0.0%		3.4%	7.3%	4.1%

Highway Operations

FY 2020,

Replacement Items

Replacement Items	Quantity in Stock	Quantity Requested	Average of Unit Cost	Total Request	Total Gov Rec
Computer Equipment	2763	527	\$3,640	\$786,900	\$786,900
Lab Equipment	70	31	\$14,311	\$314,200	\$314,200
Misc. Expenditures	893	370	\$11,007	\$464,700	\$464,700
Office Equipment	190	36	\$12,500	\$113,500	\$113,500
Road Equipment	1615	192	\$100,323	\$17,897,000	\$17,897,000
Shop Equipment	67	28	\$12,056	\$266,900	\$266,900
Specific Use Equipment	831	126	\$12,129	\$931,500	\$931,500
Grand Total				\$20,774,700	\$20,774,700

Contract Construction & Right-of-Way Acq.

Analyst: Otto

FY 2018 Actual Expenditures by Division

			FTP	PC	OE	CO	T/B	LS	Total
0.30	FY 2018 Original Appropriation								
0260-02	Ded	0.00		0	1,946,800	116,532,500	319,300	0	118,798,600
0260-05	Ded	0.00		0	271,500	2,858,300	542,500	0	3,672,300
0260-03	Fed	0.00		0	8,007,100	257,286,100	3,061,300	0	268,354,500
Totals:		0.00		0	10,225,400	376,676,900	3,923,100	0	390,825,400
0.41	Prior Year Reappropriation								
0260-02	Ded	0.00		0	11,797,900	171,965,000	2,996,500	0	186,759,400
0260-05	Ded	0.00		0	774,800	12,582,800	196,800	0	13,554,400
0270-02	Ded	0.00		0	0	19,620,300	0	0	19,620,300
0260-03	Fed	0.00		0	8,012,600	130,116,400	2,035,100	0	140,164,100
Totals:		0.00		0	20,585,300	334,284,500	5,228,400	0	360,098,200
0.43	Supplementals								
0260-02	Ded	0.00		0	0	(2,900,000)	0	0	(2,900,000)
0269-02	Ded	0.00		0	0	21,116,700	0	0	21,116,700
0270-02	Ded	0.00		0	0	16,601,700	0	0	16,601,700
0270-05	Ded	0.00		0	0	0	11,067,800	0	11,067,800
Totals:		0.00		0	0	34,818,400	11,067,800	0	45,886,200
1.00	FY 2018 Total Appropriation								
0260-02	Ded	0.00		0	13,744,700	285,597,500	3,315,800	0	302,658,000
0260-05	Ded	0.00		0	1,046,300	15,441,100	739,300	0	17,226,700
0269-02	Ded	0.00		0	0	21,116,700	0	0	21,116,700
0270-02	Ded	0.00		0	0	36,222,000	0	0	36,222,000
0270-05	Ded	0.00		0	0	0	11,067,800	0	11,067,800
0260-03	Fed	0.00		0	16,019,700	387,402,500	5,096,400	0	408,518,600
Totals:		0.00		0	30,810,700	745,779,800	20,219,300	0	796,809,800
1.21	Net Object Transfer								
0260-02	Ded	0.00		0	(12,000,000)	15,000,000	(3,000,000)	0	0
0260-05	Ded	0.00		0	(1,000,000)	1,500,000	(500,000)	0	0
0260-03	Fed	0.00		0	(10,000,000)	13,500,000	(3,500,000)	0	0
Totals:		0.00		0	(23,000,000)	30,000,000	(7,000,000)	0	0
1.71	Current Year Reappropriation								
0260-02	Ded	0.00		0	(934,200)	(155,281,500)	(563,500)	0	(156,779,200)
0260-05	Ded	0.00		0	(113,800)	(24,509,400)	(68,700)	0	(24,691,900)
0269-02	Ded	0.00		0	0	(21,086,700)	0	0	(21,086,700)
0270-02	Ded	0.00		0	0	(24,762,200)	0	0	(24,762,200)
0260-03	Fed	0.00		0	(627,400)	(135,086,400)	(378,500)	0	(136,092,300)
Totals:		0.00		0	(1,675,400)	(360,726,200)	(1,010,700)	0	(363,412,300)
1.91	Other Adjustment								
0260-02	Ded	0.00		0	229,900	28,014,600	254,700	0	28,499,200
0260-05	Ded	0.00		0	69,500	11,505,800	(169,200)	0	11,406,100
0260-03	Fed	0.00		0	(299,400)	(39,520,500)	(85,500)	0	(39,905,400)
Totals:		0.00		0	0	(100)	0	0	(100)

Contract Construction & Right-of-Way Acq.

Analyst: Otto

FY 2018 Actual Expenditures by Division

		FTP	PC	OE	CO	T/B	LS	Total
2.00	FY 2018 Actual Expenditures							
0260-02	Ded	0.00	0	1,040,400	173,330,600	7,000	0	174,378,000
	State Highway (Dedicated)		0	1,040,400	173,330,600	7,000	0	174,378,000
0260-05	Ded	0.00	0	2,000	3,937,500	1,400	0	3,940,900
	State Highway (Local)		0	2,000	3,937,500	1,400	0	3,940,900
0269-02	Ded	0.00	0	0	30,000	0	0	30,000
	Transportation Expansion and Congestion Mitigation		0	0	30,000	0	0	30,000
0270-02	Ded	0.00	0	0	11,459,800	0	0	11,459,800
	Strategic Initiatives Program - Dedicated		0	0	11,459,800	0	0	11,459,800
0270-05	Ded	0.00	0	0	0	11,067,800	0	11,067,800
	Strategic Initiatives Program - Local		0	0	0	11,067,800	0	11,067,800
0260-03	Fed	0.00	0	5,092,900	226,295,600	1,132,400	0	232,520,900
	State Highway (Federal)		0	5,092,900	226,295,600	1,132,400	0	232,520,900
Totals:		0.00	0	6,135,300	415,053,500	12,208,600	0	433,397,400

Difference: Actual Expenditures minus Total Appropriation

0260-02	Ded	0	(12,704,300)	(112,266,900)	(3,308,800)	0	(128,280,000)
	State Highway (Dedicated)	N/A	(92.4%)	(39.3%)	(99.8%)	N/A	(42.4%)
0260-05	Ded	0	(1,044,300)	(11,503,600)	(737,900)	0	(13,285,800)
	State Highway (Local)	N/A	(99.8%)	(74.5%)	(99.8%)	N/A	(77.1%)
0269-02	Ded	0	0	(21,086,700)	0	0	(21,086,700)
	Transportation Expansion and Congestion Mitigation	N/A	N/A	(99.9%)	N/A	N/A	(99.9%)
0270-02	Ded	0	0	(24,762,200)	0	0	(24,762,200)
	Strategic Initiatives Program - Dedicated	N/A	N/A	(68.4%)	N/A	N/A	(68.4%)
0270-05	Ded	0	0	0	0	0	0
	Strategic Initiatives Program - Local	N/A	N/A	N/A	0.0%	N/A	0.0%
0260-03	Fed	0	(10,926,800)	(161,106,900)	(3,964,000)	0	(175,997,700)
	State Highway (Federal)	N/A	(68.2%)	(41.6%)	(77.8%)	N/A	(43.1%)
Difference From Total Approp		0	(24,675,400)	(330,726,300)	(8,010,700)	0	(363,412,400)
Percent Diff From Total Approp		N/A	(80.1%)	(44.3%)	(39.6%)	N/A	(45.6%)

Chart 1: Total appropriation and actual expenditures for the Idaho Transportation Department for fiscal years 2014 through 2018.

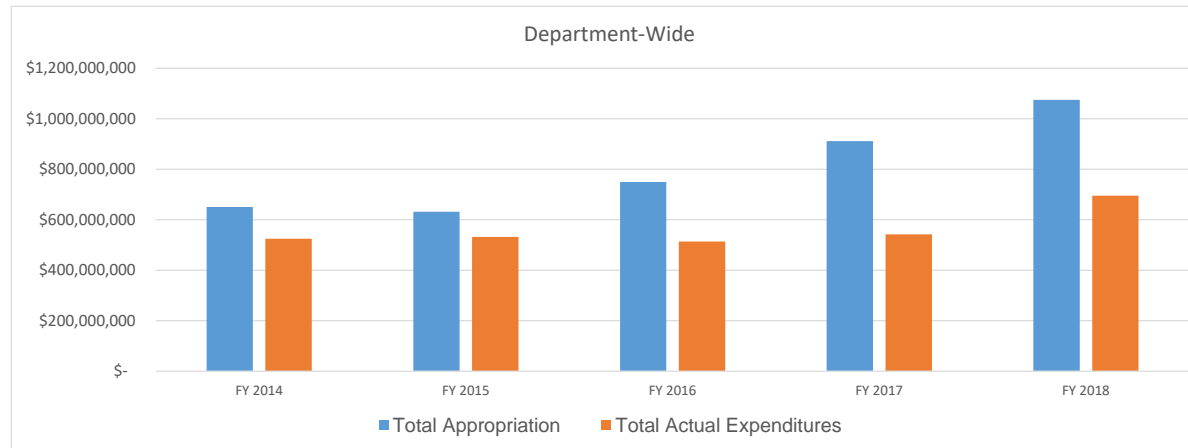
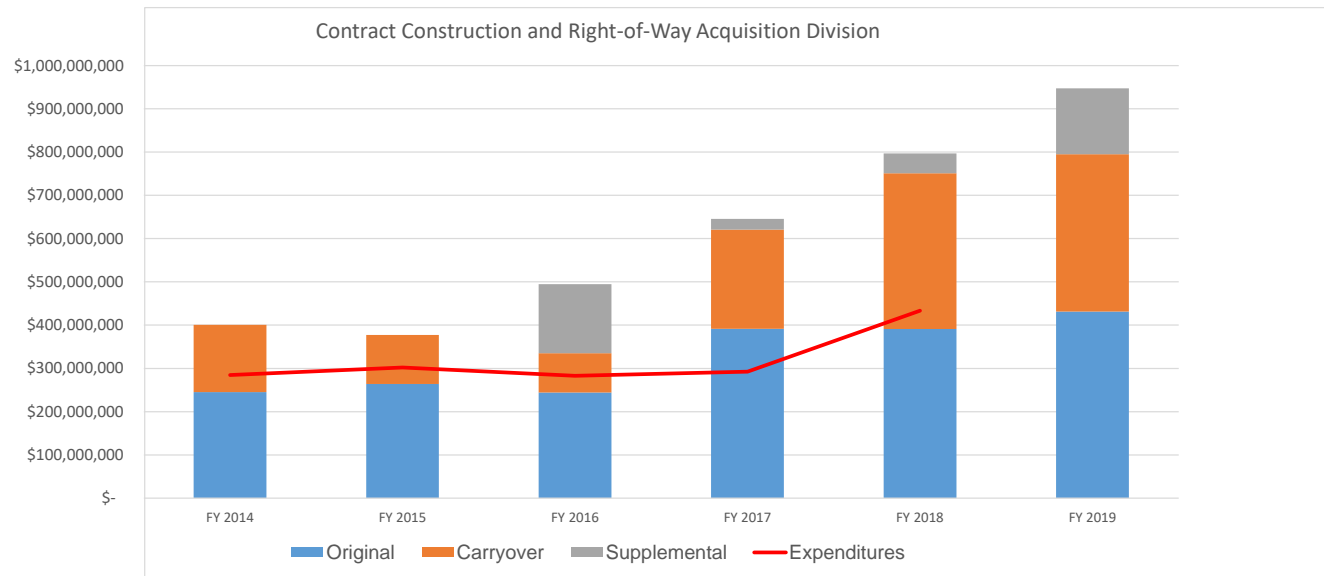


Chart 2: Total appropriation and expenditures for the Contract Construction and Right-of-Way Acquisition Division for fiscal years 2014 through 2019.



Note: The total appropriation (chart 1 and 2) consists of the original appropriation, any supplemental appropriations, and any carryover.

Contract Construction & Right-of-Way Acquisition

FY 2019 JFAC Action

	FTP	Gen	Ded	Fed	Total
FY 2018 Original Appropriation	0.00	0	122,470,900	268,354,500	390,825,400
Reappropriation	0.00	0	219,934,100	140,164,100	360,098,200
Supplementals					
1. TECM Fund	0.00	0	18,216,700	0	18,216,700
2. Strategic Initiatives Program Fund	0.00	0	27,669,500	0	27,669,500
3. Emergency Relief Funds	0.00	0	0	0	0
4. Northgate Interchange	0.00	0	0	0	0
FY 2018 Total Appropriation	0.00	0	388,291,200	408,518,600	796,809,800
FY 2018 Estimated Expenditures	0.00	0	388,291,200	408,518,600	796,809,800
Removal of Onetime Expenditures	0.00	0	(271,779,600)	(140,164,100)	(411,943,700)
FY 2019 Base	0.00	0	116,511,600	268,354,500	384,866,100
FY 2019 Program Maintenance	0.00	0	116,511,600	268,354,500	384,866,100
Line Items					
1. Excess Revenue and Receipts	0.00	0	37,913,900	8,817,600	46,731,500
Budget Law Exemptions	0.00	0	0	0	0
FY 2019 Total	0.00	0	154,425,500	277,172,100	431,597,600
Chg from FY 2018 Orig Approp.	0.00	0	31,954,600	8,817,600	40,772,200
% Chg from FY 2018 Orig Approp.			26.1%	3.3%	10.4%

S1367 of 2018 Bill Language

SECTION 5. REAPPROPRIATION AUTHORITY. There is hereby reappropriated to the Idaho Transportation Department any unexpended and unencumbered balances appropriated or reappropriated to the Idaho Transportation Department from the State Highway Fund, Strategic Initiatives Program Fund, and the Transportation Expansion and Congestion Mitigation Fund for the Contract Construction and Right-of-Way Acquisition Division for fiscal year 2018 to be used for nonrecurring expenditures for the Contract Construction and Right-of-Way Acquisition Division for the period July 1, 2018, through June 30, 2019.

Contract Construction & Right-of-Way Acquisition

Analyst: Otto

Historical Summary

OPERATING BUDGET	FY 2018 Total App	FY 2018 Actual	FY 2019 Approp	FY 2020 Request	FY 2020 Gov Rec
BY FUND CATEGORY					
Dedicated	388,291,200	200,876,500	154,425,500	127,184,000	141,709,000
Federal	408,518,600	232,520,900	277,172,100	304,522,700	304,522,700
Total:	796,809,800	433,397,400	431,597,600	431,706,700	446,231,700
Percent Change:		(45.6%)	(0.4%)	0.0%	3.4%
BY OBJECT OF EXPENDITURE					
Operating Expenditures	30,810,700	6,135,300	10,225,400	10,600,000	10,600,000
Capital Outlay	745,779,800	415,053,500	417,449,100	419,006,700	433,531,700
Trustee/Benefit	20,219,300	12,208,600	3,923,100	2,100,000	2,100,000
Total:	796,809,800	433,397,400	431,597,600	431,706,700	446,231,700

Division Description

The Contract Construction and Right-of-Way Acquisition Division accounts for the funds necessary for highway construction projects that maintain and improve the state's highway system. The current and useful life of the state's infrastructure depends on sufficient funding and efficient expenditure of these funds on necessary improvements.

Reappropriation represents funding authorized for projects which were in progress, but not yet completed, and therefore had not yet fully consumed their appropriation through the end of the prior year. As the backlog is completed, actual expenditures in subsequent years will usually be greater than the original appropriation provided.

In FY 2007, the Legislature approved H854 which provided bonding authority for the issuance of Grant Anticipation Revenue Vehicle (GARVEE) bonds. H547 of 2014 revised the distribution of cigarette tax revenues to provide up to \$4.7 million annually, for five years, to the GARVEE Debt Service Fund to pay the state's share of the annual bond payment. Additionally, there was a distribution of cigarette tax revenues to the State Highway Account to pay for highway maintenance which is variable and contingent upon the amount of revenues generated.

Just after Sine Die of the 2015 session, H312 was signed into law. It raised the gas tax by 7 cents and increased the registration fee by \$21 for personal vehicles and \$25 for commercial vehicles. At that time, the new revenue was estimated to generate approximately \$94 million annually. The ongoing increase in registration and motor fuels is being split 60% - 40% between the State Highway Account and local units of government. Furthermore, the bill provided that any funds from an unrecognized General Fund revenue surplus be split equally and deposited into the Budget Stabilization Fund and the Strategic Initiative Program Fund at the end of fiscal years 2015 and 2016, after which time the surplus eliminator language would sunset. When the FY 2015 books closed in July 2015, each fund received \$54.2 million. The FY 2016 transfer was approximately \$11 million each to the Budget Stabilization Fund and the Strategic Initiative Program Fund. The FY 2017 transfer was \$27.5 million split 60/40 between ITD and the local units of government. The FY 2018 transfer was approximately 60.3 million split 60/40 between ITD and the local units of government.

S1206 of 2017 authorized an additional \$300 million in GARVEE bonding authority, extended the surplus eliminator for two years while adding a 60/40 split between Idaho Transportation Department (ITD) and the local units of government for the Strategic Initiative Program portion, and created the Transportation Expansion and Congestion Mitigation (TECM) Fund. The TECM Fund is funded through 1% of sales tax revenue; estimated to generate approximately \$15 million in 2018, as well as a distribution from the cigarette tax.

Contract Construction & Right-of-Way Acquisition

Analyst: Otto

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2019 Original Appropriation	0.00	0	431,597,600	0.00	0	431,597,600
Reappropriation	0.00	0	363,412,300	0.00	0	363,412,300
1. Strategic Initiatives Program Fund	0.00	0	62,160,300	0.00	0	62,160,300
2. FHWA Grant I-84 Projects	0.00	0	90,240,000	0.00	0	90,240,000
FY 2019 Total Appropriation	0.00	0	947,410,200	0.00	0	947,410,200
Removal of Onetime Expenditures	0.00	0	(536,450,600)	0.00	0	(536,450,600)
Base Adjustments	0.00	0	(25,182,700)	0.00	0	(23,707,700)
FY 2020 Base	0.00	0	385,776,900	0.00	0	387,251,900
1. TECM Revenue Increases	0.00	0	8,737,400	0.00	0	8,737,400
2. Excess Revenue and Receipts	0.00	0	37,192,400	0.00	0	50,242,400
Budget Law Exemptions	0.00	0	0	0.00	0	0
FY 2020 Total	0.00	0	431,706,700	0.00	0	446,231,700
Change from Original Appropriation	0.00	0	109,100	0.00	0	14,634,100
% Change from Original Appropriation			0.0%			3.4%

Contract Construction & Right-of-Way Acquisition

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2019 Original Appropriation	0.00	0	154,425,500	277,172,100	431,597,600

Reappropriation

The department was authorized to reappropriate and carryover its unencumbered and unexpended appropriation balance from FY 2018 into FY 2019. Carryover required legislative approval and is removed as a onetime expenditure before calculating the FY 2020 base.

Agency Request	0.00	0	227,320,000	136,092,300	363,412,300
Governor's Recommendation	0.00	0	227,320,000	136,092,300	363,412,300

1. Strategic Initiatives Program Fund

Contract Construction & Right-of-Way Acquisition

The department requests a onetime supplemental appropriation of \$62,160,300 from the Strategic Initiatives Program (SIP) Fund. This represents the amount transferred from the General Fund, plus interest, at the close of FY 2018 as a result of the surplus eliminator. H312 of 2015 required any excess cash balance from the General Fund to be split equally and deposited into the Budget Stabilization Fund and the Strategic Initiatives Program Fund at the end of the fiscal year. The surplus eliminator clause in H312 of 2015 was due to sunset on May 30, 2017, but S1206 of 2017 extended the surplus eliminator for two years. S1206 of 2017 also requires that funds be split 60/40 between the Idaho Transportation Department (ITD) and the local units of government for the Strategic Initiative Program. The surplus eliminator is set to expire May 30, 2019. This request also includes interest calculated using the State Treasury's IDLE Pool.

The total amount requested to be appropriated to ITD's Strategic Initiatives Program Fund is \$37,697,800 (\$35,177,800 is 60%, plus interest of \$1,243,000).

The total amount requested to be appropriated to the local units of government's Strategic Initiatives Program Fund is \$24,462,500 (\$24,118,600 is 40%, plus interest of \$325,900).

Agency Request	0.00	0	62,160,300	0	62,160,300
Governor's Recommendation	0.00	0	62,160,300	0	62,160,300

2. FHWA Grant I-84 Projects

Contract Construction & Right-of-Way Acquisition

The department requests \$90,240,000 in onetime federal funds from a Federal Highway Administration Infrastructure for Rebuilding America grant awarded to the department on August 29, 2018. It is expected that these funds will finance approximately 60% of the project to ease congestion on Interstate 84 between the Karcher Interchange and Franklin Boulevard. This project includes widening I-84 to three lanes in each direction for 2.8 miles, adding auxiliary lanes, replacing and widening an overpass and an under-sized canal structure, replacing and expanding two bridges over a railroad and a canal, performing ramp improvements, reconstructing an interchange, and rebuilding a bridge over the freeway.

Agency Request	0.00	0	0	90,240,000	90,240,000
Governor's Recommendation	0.00	0	0	90,240,000	90,240,000

FY 2019 Total Appropriation					
Agency Request	0.00	0	443,905,800	503,504,400	947,410,200
Governor's Recommendation	0.00	0	443,905,800	503,504,400	947,410,200

Removal of Onetime Expenditures

This action removes amounts for replacement items and line items funded on a onetime basis in FY 2019.

Agency Request	0.00	0	(310,118,300)	(226,332,300)	(536,450,600)
Governor's Recommendation	0.00	0	(310,118,300)	(226,332,300)	(536,450,600)

Contract Construction & Right-of-Way Acquisition

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Base Adjustments

The department requests a fund shift of \$548,000 from state funds to local funds. A greater degree of local funding has been made available through FAST Act increases, while state fund appropriations are in excess of need for FY 2020.

Also requested is a net zero object transfer to realign appropriation between funding sources based on a recent department review of appropriations and expenditures over the last five years. The following adjustments are requested:

a reduction of \$733,900 in capital outlay in the State Highway Fund with increases in operating expenditures (\$553,200) and trustee and benefit payments (\$180,700);

a reduction in both operating expenditures (\$171,500) and trustee and benefit payments (\$442,500) to increase local capital outlay funds by \$614,000;

and a reduction of both operating expenditures (\$7,100) and trustee and benefit payments (\$1,561,300) to increase federal capital outlay appropriation by \$1,568,400.

Lastly, the department requests a base reduction of \$24,032,600 from the State Highway Fund and \$3,295,900 from federal funds as the ongoing portion of the FY 2019 appropriation was in excess of department needs. This adjustment will not affect any currently planned projects.

Agency Request	0.00	0	(21,886,800)	(3,295,900)	(25,182,700)
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Recommended by the Governor, less an ongoing amount of \$1,475,000 that was requested to restore personnel costs in the Highway Operations Division and is recommended be used for highway construction.

Governor's Recommendation	0.00	0	(20,411,800)	(3,295,900)	(23,707,700)
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FY 2020 Base

Agency Request	0.00	0	111,900,700	273,876,200	385,776,900
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Governor's Recommendation	0.00	0	113,375,700	273,876,200	387,251,900
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1. TECM Revenue Increases

Contract Construction & Right-of-Way Acquisition

The department requests \$8,737,400 from the Transportation Expansion and Congestion Mitigation (TECM) Fund for increases from revenue above projections. Of this total, \$3,595,200 is onetime and \$5,142,200 is ongoing. This fund was created through S1206 of 2017. According to Section 40-720, Idaho Code, "the fund... shall finance projects that expand the state system to address and mitigate transportation congestion. The projects shall be evaluated by the Idaho Transportation Department and shall be chosen by the Idaho Transportation Board based on a policy that may include mitigation of traffic times, improvement to traffic flow and mitigation of traffic congestion." Revenues to the fund are generated from a distribution of 1% of net sales tax collections (after revenue sharing for cities and counties), and a distribution of the cigarette tax.

These funds are as follows:

\$1,511,800 excess TECM receipts above appropriation through FY18;

\$2,491,200 increase in projected FY19 receipts (August 21, 2018 forecast); and

\$4,734,400 increase in projected FY20 receipts (August 21, 2018 forecast).

Agency Request	0.00	0	8,737,400	0	8,737,400
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Governor's Recommendation	0.00	0	8,737,400	0	8,737,400
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Contract Construction & Right-of-Way Acquisition

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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2. Excess Revenue and Receipts

Contract Construction & Right-of-Way Acquisition

The department requests a total of \$37,192,400 onetime for additional capital outlay to align its appropriation with revenue for FY 2020. This request is for \$1,300,700 from the dedicated State Highway Fund, \$5,245,200 from the Local State Highway Fund, and \$30,646,500 in federal funds from the State Highway Fund.

A total of \$10,906,400 of this funding was requested as supplemental line items, but not funded, in the 2018 legislative session:

\$7,254,400 in federal funds (\$6,004,400 Federal Emergency Relief Funds awarded April 6, 2017 and \$1,250,000 in federal quick relief funds awarded May 17, 2017);
\$252,000 from state funds awarded by the Military Division's Office of Emergency Management (IOEM); and
\$3,400,000 from the State Highway-Local Fund to construct the Northgate (Siphon Road) interchange and connecting road infrastructure.

The remainder of this request (\$26,286,000) comes from federal awards with related match that were awarded after the 2018 legislative session:

\$6,750,000 in new Federal Emergency Relief funds (\$3,000,000 awarded November 27, 2018 and \$3,750,000 awarded April 19, 2018) and \$512,900 in required state match;
\$14,392,100 in new Federal Surface Transportation Block Grants (STBG), funds were provided by the 2018 Federal Omnibus Appropriation (\$10,877,100 to ITD, \$3,515,000 to Locals);
\$535,800 in state match for new Federal Highway Infrastructure Program funds;
\$604,200 in local match on new Federal Highway Infrastructure Program funds;
and \$2,250,000 for new federal Advanced Transportation and Congestion Management Technologies Deployment (ATCMTD) grant funds and \$1,241,000 in local match.

Agency Request	0.00	0	6,545,900	30,646,500	37,192,400
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Recommended by the Governor, including an additional \$13,050,000 from the State Highway Fund for construction. The additional appropriation would come from the line items not funded in the Transportation Services Division; \$12,500,000 from line item 11, \$250,000 from line item 16, and \$300,000 from line item 17.

Governor's Recommendation	0.00	0	19,595,900	30,646,500	50,242,400
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Budget Law Exemptions

The agency requests the following language to be included in its FY 2020 appropriation bill:

REAPPROPRIATION AUTHORITY: There is hereby reappropriated to the Idaho Transportation Department any unexpended and unencumbered balance of money categorized as the State Highway Fund, Strategic Initiatives Program Fund, or Transportation Expansion and Congestion Mitigation Fund for the Contract Construction and Right-of-Way Acquisition Division as appropriated or reappropriated for fiscal year 2019, to be used for nonrecurring expenditures, for the period July 1, 2019, through June 30, 2020.

CONTINUOUSLY APPROPRIATED MONEYS. All moneys transferred to the Local Bridge Inspection Fund and to the Railroad Grade Crossing Protection Fund, as provided in Section 63-2412, Idaho Code, are hereby continuously appropriated to the Idaho Transportation Department for the stated purpose of those funds.

Agency Request	0.00	0	0	0	0
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Recommended by the Governor.

Governor's Recommendation	0.00	0	0	0	0
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FY 2020 Total

Agency Request	0.00	0	127,184,000	304,522,700	431,706,700
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Governor's Recommendation	0.00	0	141,709,000	304,522,700	446,231,700
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Agency Request

Change from Original App	0.00	0	(27,241,500)	27,350,600	109,100
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% Change from Original App			(17.6%)	9.9%	0.0%
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Governor's Recommendation

Change from Original App	0.00	0	(12,716,500)	27,350,600	14,634,100
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% Change from Original App			(8.2%)	9.9%	3.4%
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